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#### SECOND SUBSTITUTE HOUSE BILL 2200

State of Washington 54th Legislature 1996 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Chandler, Mastin, Lisk, Mulliken, Honeyford, Robertson, Basich, Horn and Goldsmith)

Read first time 02/02/96.

- 1 AN ACT Relating to water resource management; amending RCW
- 2 90.54.020, 90.54.180, 90.03.383, and 90.14.140; reenacting and amending
- 3 RCW 43.84.092; adding new sections to chapter 90.03 RCW; adding a new
- 4 section to chapter 34.05 RCW; creating new sections; adding a new
- 5 chapter to Title 90 RCW; and providing expiration dates.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 PART I
- 8 BASIN PLANS AND INSTREAM FLOWS
- 9 GENERAL PROVISIONS
- 10 <u>NEW SECTION.</u> **Sec. 101.** Unless the context clearly requires
- 11 otherwise, the definitions in this section apply throughout this
- 12 chapter.
- 13 (1) "Department" means the department of ecology.
- 14 (2) "WRIA" means a water resource inventory area established in
- 15 chapter 173-500 WAC as it existed on January 1, 1996.

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- (3) "Water supply special purpose district" means a water, combined 1 2 water-sewer, irrigation, reclamation, or public utility district that provides water to persons or other water users within the district. 3
- 4 NEW SECTION. Sec. 102. It is the intent of the legislature that water resource planning be done locally, at the watershed level. Such 5 local planning is not required, but may be conducted as provided in 6 7 this chapter. If such local planning is conducted for a WRIA, it shall provide for the establishment of instream flows and a comprehensive 8 9 water resources program for the WRIA. No plan developed under this chapter may impair or impede any water right existing before the plan 10 is adopted under section 110(5) of this act. 11
- 12 Sec. 103. Once a WRIA planning unit has been NEW SECTION. 13 organized and has established priorities under section 108 of this act, 14 it may apply to the department for funding assistance for conducting the planning. The department shall provide five hundred thousand 15 dollars per WRIA on a first-come, first-served basis to each such 16 17 planning unit planning under this chapter and so applying. The moneys 18 shall be provided from and to the extent of appropriations made by the legislature to the department expressly for this purpose. 19 provided under this section shall be considered to be a contractual 20 21 obligation against the moneys appropriated for this purpose.
- 22 <u>NEW SECTION.</u> **Sec. 104.** (1) This chapter shall not be construed as 23 creating a new cause of action against the state or any county, city, or special purpose district. 24
- (2) Notwithstanding RCW 4.92.090, 4.96.010, and 64.40.020, no claim for damages may be filed against the state or any county, city, or 26 27 special purpose district that participates in a WRIA planning unit for performing responsibilities under this chapter. The exclusion from 28 liability contained in this subsection does not apply to a county, 29 city, or special purpose district that votes to adopt provisions in a 30 WRIA plan that have been identified by the department as being in 31 32 conflict with state or federal law with regard to those provisions if advice regarding the conflict was provided under section 110(2) of this 33 34 act.

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NEW SECTION. Sec. 105. (1) Of the counties located in whole or in 1 2 part in a WRIA, the county with the largest population residing within 3 the boundaries of the WRIA is the lead agency for WRIA planning 4 conducted for that WRIA under this chapter, except as provided in subsection (5) of this section and section 106 of this act. 5 county may choose to initiate water resource planning for the WRIA 6 under this chapter. If it does so choose, it shall convene a meeting 7 8 of the members of the legislative authorities of the counties with 9 territory within a WRIA for the appointment of a WRIA planning unit. 10 Unless an existing entity is to be chosen as the planning unit under subsection (5) of this section, it shall also notify the cities, water 11 supply special purpose districts, and conservation districts with 12 13 territory within the WRIA that these groups are to meet to appoint their members of the WRIA planning unit. For the purposes of this 14 15 section and sections 106 and 110 of this act, a county is considered to have territory within a WRIA only if the territory of the county 16 17 located in the WRIA constitutes at least fifteen percent of the area of the WRIA. 18

(2)(a) One WRIA planning unit shall be appointed for the WRIA as provided by this section or for a multi-WRIA area as provided by section 106 of this act for multi-WRIA planning. Except as provided in subsection (5) of this section, the planning unit shall be composed of: One member from each county with territory in the WRIA representing the county and appointed by the county; one member for each county with territory in the WRIA, but not less than two members, representing cities with territory in the WRIA and appointed jointly by those cities; two members representing all water supply special purpose districts with territory within the WRIA and appointed jointly by those districts; one member representing all conservation districts with territory within the WRIA and appointed jointly by those districts; four members representing the general citizenry, of which at least two shall be holders of water rights, appointed jointly by the counties with territory within the WRIA; and six members representing various special interest groups appointed jointly by the counties with territory within the WRIA.

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(b) In addition, for a WRIA located within Pierce, King, or Snohomish county, a representative of the largest water purveyor using water from the WRIA shall be an ex officio member of the planning unit

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1 whether the principal offices of the purveyor are or are not located 2 within the WRIA.

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- (3) Except for a person who is an ex officio member of the planning unit under subsection (2)(b) of this section, each person appointed to a WRIA planning unit shall have been a resident of the WRIA for at least five years. No state employee or state official may be appointed to the planning unit. In appointing persons to the WRIA planning unit representing special interest groups, the counties shall consider industrial water users, general businesses, hydroelectric and thermal power producers, and irrigated agriculture, nonirrigated agriculture, forestry, recreation, environmental, and fisheries interest groups and other groups with interests in the WRIA.
- 13 (4) In voting to appoint the members of a WRIA planning unit, to choose a planning unit under subsection (5) of this section or section 14 15 106(4) of this act, to choose or select a lead agency for water 16 resource planning under this chapter, to approve a WRIA plan under 17 section 110 of this act or to request or concur with a request for multi-WRIA planning under section 106 of this act, each county with 18 19 territory within the WRIA shall have three votes, divided equally among 20 the members of the county's legislative authority and these actions shall be made by majority vote based on the votes allocated under this 21 In voting to appoint members of a WRIA planning unit: 22 city with territory within the WRIA shall have one vote and 23 appointments shall be made by majority vote of such cities; each water 24 25 supply special purpose district with territory within the WRIA shall 26 have one vote and appointments shall be made by majority vote of such districts; and each conservation district with territory within the 27 WRIA shall have one vote and appointments shall be made by majority 28 vote of such districts. Except as provided in subsection (5) of this 29 30 section, all appointments shall be made within sixty days of the date the appointing authorities other than the counties are notified to 31 convene to make appointments or the appointments shall be made by the 32 33 counties with territory in the WRIA in the same manner the counties 34 make other appointments. A vacancy on the planning unit shall be 35 filled by appointment in the same manner prescribed for appointing the position that has become vacant. 36
  - (5) When the counties of a WRIA have convened jointly to make appointments to the planning unit, they may, by a majority vote, choose as the lead agency for WRIA planning any governmental entity in the

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WRIA. Such a governmental entity shall act as the lead agency for this 1 2 purpose if it agrees in writing to accept the designation. counties so convened may also, by a majority vote, choose as a planning 3 unit an entity with a composition substantially similar to the 4 composition provided by subsection (2) of this section that was in 5 existence prior to such convening and the counties find to be capable 6 of serving as the planning unit for water resource planning in the 7 8 Such an entity shall serve as the planning unit for water 9 resource planning in the WRIA under this chapter if the entity agrees 10 in writing to do so.

- NEW SECTION. Sec. 106. (1) The counties with territory in a WRIA may elect to conduct multi-WRIA planning with the counties with territory in one or more other WRIAs. If the counties with territory in these other WRIAs concur, all of the counties with territory in these WRIAs shall convene and shall appoint one planning unit to conduct the water resource planning for the multi-WRIA area.
- 17 (a) Except as provided in subsection (4) of this section, the 18 planning unit shall be composed of: Up to one member, as that number 19 is determined by the counties jointly, for each county with territory in the multi-WRIA area representing the counties and appointed by the 20 counties jointly; up to one member, as that number is determined by the 21 22 cities jointly, for each county with territory in the multi-WRIA area, 23 representing cities with territory in the multi-WRIA area and appointed 24 jointly by those cities; up to three members, as that number is 25 determined by the districts, representing all water supply special purpose districts with territory within the multi-WRIA area and 26 appointed jointly by those districts; up to two members, as that number 27 is determined by the districts, representing all conservation districts 28 29 with territory within the multi-WRIA area and appointed jointly by 30 those districts; four members representing the general citizenry, of which at least two shall be holders of water rights, appointed jointly 31 by the counties with territory within the multi-WRIA area; and six 32 33 members representing various special interest groups appointed jointly 34 by the counties with territory within the multi-WRIA area.
- 35 (b) In addition, for a WRIA located within Pierce, King, or 36 Snohomish county, a representative of the largest water purveyor using 37 water from the multi-WRIA area shall be an ex officio member of the

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1 planning unit whether the principal offices of the purveyor are or are 2 not located within the multi-WRIA area.

- (c) Except for a person who is an ex officio member of the planning unit under subsection (1)(b) of this section, each person appointed to a multi-WRIA planning unit shall have been a resident of the multi-WRIA area for at least five years. No state employee or state official may be appointed to the planning unit. In appointing persons to the multi-WRIA planning unit representing special interest groups the counties consider industrial water users, general businesses, hydroelectric and thermal power producers, and irrigated agriculture, nonirrigated agriculture, forestry, recreation, environmental, and fisheries interest groups and other groups with interests in the multi-WRIA area.
- (2) The counties in the multi-WRIA area shall select, by a majority 14 15 vote, a governmental entity in the multi-WRIA area to act as lead agency for water resource planning in the multi-WRIA area under this 16 17 chapter. Such an entity shall serve as the lead agency if it agrees in writing to do so. Except as provided in subsection (4) of this 18 19 section, all appointments shall be made within sixty days of the date 20 the lead agency in the multi-WRIA area notifies the other appointing authorities to convene to make appointments or the appointments shall 21 22 be made by the counties with territory in the multi-WRIA area in the 23 same manner the counties make other appointments. A vacancy on the 24 planning unit shall be filled by appointment in the same manner 25 prescribed for appointing the position that has become vacant.
  - (3) A planning unit for a multi-WRIA area shall perform all of the functions assigned by this chapter to a WRIA planning unit and is subject to all of the provisions of this chapter that apply to a WRIA planning unit.
  - (4) The counties convened to make appointments to a planning unit may, by a majority vote, choose as a planning unit an entity with a composition substantially similar to the composition provided by subsection (1) of this section that was in existence prior to such convening and the counties find to be capable of serving as the planning unit for water resource planning in the multi-WRIA area. Such an entity shall serve as the planning unit for water resource planning in the multi-WRIA area under this chapter if the entity agrees in writing to do so.

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Sec. 107. The lead agency shall provide staff NEW SECTION. 1 support for the work of the WRIA planning unit. Each WRIA planning 2 unit may establish its own methods of operation that are consistent 3 4 with this chapter and may establish methods for reviewing the operations of its lead agency. No planning unit appointed or selected 5 under this chapter may possess or exercise the power of eminent domain. 6 7 No planning unit appointed or selected under this chapter may take any 8 action that affects in any manner a general adjudication proceeding for 9 water rights, completed or ongoing. Each WRIA planning unit is encouraged to: Consider information and plans that may have been 10 previously developed by other entities in establishing water resource 11 management plans for the WRIA; consider existing data regarding water 12 resources in the WRIA; and, for a WRIA that borders another state, 13 14 cooperate with local government counterparts in the adjacent state 15 regarding water resource planning. Water resource plans developed 16 under this chapter for a WRIA may not interfere in any manner with a general adjudication of water rights, completed or ongoing. 17 WRIA plan may not in any manner impair, diminish, or interfere with a 18 19 water right that exists before the adoption of the plan by the department under section 110 of this act. 20

All meetings of a WRIA planning unit shall be conducted as public meetings as required for such meetings by the open public meetings act, chapter 42.30 RCW. Some time shall be set aside at the end of each meeting of a WRIA planning unit for public comments.

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36 37 No person who is a member of a WRIA planning unit may designate another to act on behalf of the person as a member or to attend as a member a meeting of the unit on behalf of the person. If a member of a WRIA planning unit is absent from more than five meetings of the WRIA planning unit that constitute twenty percent or more of the meetings that have been conducted by the planning unit while the person is a member of the unit and these absences have not been excused as provided by this section, the member's position on the WRIA planning unit is to be considered vacant. A person's absence from a meeting may be excused: By the chair of the planning unit if a written request to do so is received by the chair before the meeting from which the member is to be absent; or by a majority vote of the members of the planning unit at the meeting during which the member is absent.

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- NEW SECTION. Sec. 108. (1) Each WRIA planning unit shall develop 1 2 a water resource plan. The plan must contain the elements listed in 3 subsection (2) of this section and may include other elements added by 4 the planning unit. Once organized, the first task of the planning unit 5 is to prioritize these elements regarding their importance in the WRIA and in developing a water resource plan for the WRIA. A plan shall not 6 7 be developed such that its provisions are in conflict with state or 8 federal law or impair, diminish, or interfere in any manner with a 9 water right existing prior to its adoption. Each plan shall 10 acknowledge that the water rights of citizens are private rights to 11 real property.
- 12 (2) The plan must include the following:
- 13 (a) A quantitative estimation of how much surface and ground water 14 is in the planning unit using United States geological survey 15 information and other existing sources;
- 16 (b) A quantitative estimation using existing sources of 17 information, of how much surface and ground water is available for use, 18 both in-stream and out-of-stream, for agricultural, fisheries, 19 recreational, environmental, industrial, municipal, and residential 20 purposes;
- (c) A quantitative estimation using existing sources of information, of how much surface and ground water is being used, both in-stream and out-of-stream, for agricultural, industrial, fisheries, recreational, environmental, municipal, and residential purposes, and including amounts claimed or permitted for future municipal needs;
- 26 (d) A quantitative estimation of how much water, approximately, is 27 claimed or permitted, including in-stream flows;
- (e) A quantitative description of future water-based in-stream and out-of-stream needs in the planning unit, based on projected population and agricultural and other economic growth;
- 31 (f) Instream flows established prior to January 1, 1996, by rule. Notwithstanding any other provisions of state law, the planning unit 32 will set instream flows as part of the plan for the other rivers, 33 34 streams, and lakes in the WRIA, or in the multi-WRIA area for multi-35 WRIA planning under section 106 of this act, for which flows have not been set and may make adjustments to flows that have already been set. 36 37 An instream flow or base flow or level set for a body of water in a WRIA plan adopted by the department under section 110 of this act 38 39 supersedes any other such flow or level previously established for the

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- body of water. Planning units are encouraged to set the flow levels as
  soon as is practicable;
- 3 (g) Management strategies for achieving present and future needs, 4 including:
  - (i) Conservation measures;
- 6 (ii) Storage enhancements, including modifications to existing 7 reservoirs and new reservoirs;
- 8 (iii) In-stream flows;

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- 9 (h) An estimation of hydraulic continuity between ground and surface waters that is to be taken into consideration for the allocation and use of water resources. This estimation shall be based on available data and any data the planning unit may secure with funds other than the funds provided to the unit by the department for WRIA planning;
- (i) A description of the strategies for plan implementation and the entities responsible for implementing the plan, including but not limited to local, tribal, state, and federal governments working singularly or in combination. The implementing entities may also include activities conducted by private organizations and individuals.
- NEW SECTION. Sec. 109. (1) Water resource management plans developed pursuant to the process in this chapter and subsequently adopted by the department under section 110 of this act are presumed valid. This presumption shall apply in any petition or action filed against a plan.
  - (2) Any action taken by a state agency regarding or affecting water resources within a WRIA for which a plan has been adopted under section 110 of this act and any planning conducted by a state agency regarding or affecting water resources within a WRIA for which a plan has been adopted under section 110 of this act shall be taken or conducted in a manner that is consistent with the plan. All actions and decisions of the department regarding water resources in the WRIA shall be consistent with and based upon such an adopted plan for the WRIA. Any other authority of the department exercised within the WRIA regarding or affecting water resources shall be exercised in a manner that is consistent with such an adopted plan.
- NEW SECTION. **Sec. 110.** (1) Upon completing a proposed water resource plan for the WRIA, the WRIA planning unit shall conduct at

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- 1 least one public hearing in the WRIA on the proposed plan. After
- 2 considering the public comments presented at the hearing or hearings,
- 3 the planning unit shall submit a copy of its proposed plan to the
- 4 department. A proposed plan may be submitted to the department only if
- 5 the unit has provided interim approval of the plan for this purpose by
- 6 a majority vote of the members of the planning unit.
- 7 (2) The department shall conduct at least one public hearing,
- 8 announced in accordance with chapter 34.05 RCW, on each proposed WRIA
- 9 water resource plan submitted under this section. The department shall
- 10 provide advice as to any specific subsections or sections of the plan
- 11 that the department believes to be in conflict with state or federal
- 12 law and may provide other recommendations regarding the plan. The
- 13 department shall transmit its advice and recommendations regarding the
- 14 plan to the WRIA planning unit within sixty days of receiving it for
- 15 review.
- 16 (3) The WRIA planning unit shall vote on each recommendation
- 17 provided by the department and on the department's advice regarding any
- 18 subsections or sections of the proposed WRIA plan the department
- 19 believed to be in conflict with state or federal law. The planning
- 20 unit may adopt such a recommendation or provide changes to respond to
- 21 the advice of the department by a majority vote of the members of the
- 22 planning unit.
- The WRIA planning unit shall approve a water resource plan for the
- 24 WRIA by a two-thirds majority vote of the members of the planning unit.
- 25 An approved plan shall be submitted to the counties with territory
- 26 within the WRIA for adoption.
- 27 (4) The legislative authority of each of the counties with
- 28 territory within the WRIA shall conduct at least two public hearings on
- 29 the WRIA plan submitted to the county under this section. After the
- 30 public hearings, the legislative authorities of these counties shall
- 31 convene in joint session to consider the plan. The counties may
- 32 approve or reject the plan, but may not amend the plan. Approval of a
- 33 plan, or of recommendations for a plan that is not approved, shall be
- 34 made by a majority vote of the members of the various legislative
- 35 authorities of the counties with territory in the WRIA based on the
- 36 votes allocated under section 102 of this act.
- If the plan is not approved, it shall be returned to the WRIA
- 38 planning unit with recommendations for revisions. Any revised plan
- 39 prepared by the planning unit shall be submitted to the department and

- 1 to the counties as provided by this section for WRIA water resource 2 plans generally.
- 3 (5) If the plan is approved by the members of the legislative 4 authorities, the plan shall be transmitted to the department for 5 adoption. The department shall adopt such an approved WRIA water 6 resource plan by rule. The department has no discretion to amend or 7 reject the plan. A copy of the plan and notice of its adoption as 8 rules shall be published in the state register under chapter 34.05 RCW.
- 9 (6) If the department advises a planning unit that an element of 10 its WRIA plan is in conflict with state or federal law and the unit 11 does not remove the conflict created by the element from its plan, the 12 state is not liable for any judgment that may be awarded regarding the 13 conflict. This subsection shall not be construed as establishing such 14 state liability for any other element of the plan adopted as rules.
- NEW SECTION. Sec. 111. The WRIA planning units may accept grants, funds, and other financing, as well as enter into cooperative agreements with private and public entities for planning assistance and funding.
- 19 <u>NEW SECTION.</u> **Sec. 112.** A new section is added to chapter 90.03 20 RCW to read as follows:
- 21 (1) The department shall rule in a timely manner upon applications 22 to appropriate public surface and ground water. For applications that 23 seek to appropriate water from within a WRIA for which a WRIA plan has 24 been adopted, the department shall grant or deny the application within 25 one hundred eighty days of the date the properly completed application is filed with the department, except as provided in subsection (2) of 26 27 this section. For applications that seek to appropriate water from 28 within a WRIA for which no WRIA plan has been adopted, the department 29 shall grant or deny the application within one year of the date the properly completed application is filed with the department, except as 30 provided in subsection (2) of this section. The times allowed in this 31 section to rule upon an application shall not include the time it takes 32 33 the applicant to respond to an explicit request for additional information reasonably required to make a determination on the 34 35 application. The department shall be allowed only one such request for additional information. The cost of obtaining such information shall 36 37 be reasonable in relation to the quantity and value of the water right

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- 1 applied for. Once the applicant responds to an information request, 2 the stay of the time allowed for the permit decision shall end.
- 3 (2) If a detailed statement, generally referred to as an
- 4 environmental impact statement, must be prepared under chapter 43.21C
- 5 RCW for or in regard to an application to appropriate water, the
- 6 department shall grant or deny the application within ninety days of
- 7 the date the final environmental impact statement is available from the
- 8 official responsible for it under chapter 43.21C RCW.
- 9 <u>NEW SECTION.</u> **Sec. 113.** A new section is added to chapter 34.05 10 RCW to read as follows:
- 11 (1) Once the department of ecology receives a water resource plan
- 12 submitted by a WRIA planning unit for advice and recommendations under
- 13 section 110 of this act, the department shall conduct at least one
- 14 public hearing on the plan and shall provide notice of the hearing and
- 15 proposed plan as provided in RCW 34.05.320 for the proposal of a rule.
- 16 The department shall maintain a file for the plan. Once the plan has
- 17 been adopted by the counties in the WRIA under section 110 of this act
- 18 and the plan has been submitted to the department of ecology, the
- 19 department shall file the plan with the code reviser along with an
- 20 order adopting the plan as rules. The code reviser shall cause the
- 21 order and the water resource plan to be published in the Washington
- 22 state register in the manner provided for the adoption of final rules
- 23 and shall incorporate the plan into the Washington Administrative Code.
- 24 No other aspect of this chapter that establishes procedures for the
- 25 adoption of rules applies to the adoption of the plan by the
- 26 department.
- 27 (2) For the purposes of this section, "WRIA" has the meaning
- 28 established in section 101 of this act.
- 29 PART II
- 30 **STORAGE**
- 31 **Sec. 201.** RCW 90.54.020 and 1989 c 348 s 1 are each amended to 32 read as follows:
- 33 Utilization and management of the waters of the state shall be 34 guided by the following general declaration of fundamentals:
- 35 (1) Uses of water for domestic, stock watering, industrial,
- 36 commercial, agricultural, irrigation, hydroelectric power production,

- 1 mining, fish and wildlife maintenance and enhancement, recreational,
- 2 and thermal power production purposes, and preservation of
- 3 environmental and aesthetic values, and all other uses compatible with
- 4 the enjoyment of the public waters of the state, are declared to be
- 5 beneficial.
- 6 (2) Allocation of waters among potential uses and users shall be
- 7 based generally on the securing of the maximum net benefits for the
- 8 people of the state. Maximum net benefits shall constitute total
- 9 benefits less costs including opportunities lost.
- 10 (3) The quality of the natural environment shall be protected and,
- 11 where possible, enhanced as follows:
- 12 (a) Perennial rivers and streams of the state shall be retained
- 13 with base flows necessary to provide for preservation of wildlife,
- 14 fish, scenic, aesthetic and other environmental values, and
- 15 navigational values. Lakes and ponds shall be retained substantially
- 16 in their natural condition. Withdrawals of water which would conflict
- 17 therewith shall be authorized only in those situations where it is
- 18 clear that overriding considerations of the public interest will be
- 19 served.
- 20 (b) Waters of the state shall be of high quality. Regardless of
- 21 the quality of the waters of the state, all wastes and other materials
- 22 and substances proposed for entry into said waters shall be provided
- 23 with all known, available, and reasonable methods of treatment prior to
- 24 entry. Notwithstanding that standards of quality established for the
- 25 waters of the state would not be violated, wastes and other materials
- 26 and substances shall not be allowed to enter such waters which will
- 27 reduce the existing quality thereof, except in those situations where
- 28 it is clear that overriding considerations of the public interest will
- 29 be served. Technology-based effluent limitations or standards for
- 30 discharges for municipal water treatment plants located on the
- 31 Chehalis, Columbia, Cowlitz, Lewis, or Skagit river shall be adjusted
- 32 to reflect credit for substances removed from the plant intake water
- 33 if:
- 34 (i) The municipality demonstrates that the intake water is drawn
- 35 from the same body of water into which the discharge is made; and
- 36 (ii) The municipality demonstrates that no violation of receiving
- 37 water quality standards or appreciable environmental degradation will

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- 1 (4) The development of multipurpose water storage facilities shall
- 2 be a high priority for programs of water allocation, planning,
- 3 management, and efficiency. The department, other state agencies,
- 4 local governments, and planning units formed under section 102 or 106
- 5 of this act shall evaluate the potential for the development of new
- 6 storage projects and the benefits of storage in reducing damage to
- 7 stream banks and property, increasing the use of land, providing water
- 8 for municipal, industrial, agricultural, power generation, and other
- 9 beneficial uses, and improving stream flow regimes for fisheries and
- 10 other instream uses.
- 11 <u>(5)</u> Adequate and safe supplies of water shall be preserved and
- 12 protected in potable condition to satisfy human domestic needs.
- 13  $((\frac{5}{}))$  <u>(6)</u> Multiple-purpose impoundment structures are to be
- 14 preferred over single-purpose structures. Due regard shall be given to
- 15 means and methods for protection of fishery resources in the planning
- 16 for and construction of water impoundment structures and other
- 17 artificial obstructions.
- 18  $((\frac{(6)}{)})$  Federal, state, and local governments, individuals,
- 19 corporations, groups and other entities shall be encouraged to carry
- 20 out practices of conservation as they relate to the use of the waters
- 21 of the state. In addition to traditional development approaches,
- 22 improved water use efficiency and conservation shall be emphasized in
- 23 the management of the state's water resources and in some cases will be
- 24 a potential new source of water with which to meet future needs
- 25 throughout the state.
- $((\frac{7}{}))$  (8) Development of water supply systems, whether publicly
- 27 or privately owned, which provide water to the public generally in
- 28 regional areas within the state shall be encouraged. Development of
- 29 water supply systems for multiple domestic use which will not serve the
- 30 public generally shall be discouraged where water supplies are
- 31 available from water systems serving the public.
- (((8))) (9) Full recognition shall be given in the administration
- 33 of water allocation and use programs to the natural interrelationships
- 34 of surface and ground waters.
- $((\frac{9}{}))$  (10) Expressions of the public interest will be sought at
- 36 all stages of water planning and allocation discussions.
- 37 ((<del>(10)</del>)) <u>(11)</u> Water management programs, including but not limited
- 38 to, water quality, flood control, drainage, erosion control and storm
- 39 runoff are deemed to be in the public interest.

- 1 **Sec. 202.** RCW 90.54.180 and 1989 c 348 s 5 are each amended to 2 read as follows:
- Consistent with the fundamentals of water resource policy set forth in this chapter, state and local governments, individuals, corporations, groups and other entities shall be encouraged to carry out water use efficiency and conservation programs and practices consistent with the following:
- 8 (1) Water efficiency and conservation programs should utilize an 9 appropriate mix of economic incentives, cost share programs, regulatory 10 programs, and technical and public information efforts. Programs which 11 encourage voluntary participation are preferred.

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- (2) Increased water use efficiency should receive consideration as a potential source of water in state and local water resource planning processes. In determining the cost-effectiveness of alternative water sources, consideration should be given to the benefits of conservation, including waste water recycling, and ((impoundment)) storage of waters.
- (3) In determining the cost-effectiveness of alternative water sources, full consideration should be given to the benefits of storage which can reduce the damage to stream banks and property, increase the utilization of land, provide water for municipal, industrial, agricultural, and other beneficial uses, provide for the generation of electric power from renewable resources, and improve stream flow regimes for fishery and other instream uses.
- (4) Entities receiving state financial assistance for construction of water source expansion or acquisition of new sources shall develop, and implement if cost-effective, a water use efficiency and conservation element of a water supply plan pursuant to RCW 43.20.230(1).
- (5) State programs to improve water use efficiency should focus on those areas of the state in which water is overappropriated; areas that experience diminished streamflows or aquifer levels; and areas where projected water needs, including those for instream flows, exceed available supplies.
  - (6) Existing and future generations of citizens of the state of Washington should be made aware of the importance of the state's water resources and the need for wise and efficient use and development of this vital resource. In order to increase this awareness, state agencies should integrate public education on increasing water use efficiency into existing public information efforts. This effort shall

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- 1 be coordinated with other levels of government, including local
- 2 governments and Indian tribes.

3 PART III

### 4 GENERAL ADJUDICATIONS - ESCROW ACCOUNT

- 5 <u>NEW SECTION.</u> **Sec. 301.** A new section is added to chapter 90.03 6 RCW to read as follows:
- The legislature finds that the lack of certainty regarding water rights within a water resource basin may impede management and planning
- 9 for water resources. The legislature further finds that planning units
- 10 conducting water resource planning under chapter 90.-- RCW (sections
- 11 101 through 111 of this act) may find that the certainty provided by a
- 12 general adjudication of water rights under this chapter is required for
- 13 water planning or water management in a water resource inventory area
- 14 or in a portion of the area. Therefore, such planning units may
- 15 petition the department to conduct such a general adjudication and the
- 16 department shall give high priority to such a request in initiating any
- 17 such general adjudications under this chapter.
- 18 **Sec. 302.** RCW 43.84.092 and 1995 c 394 s 1 and 1995 c 122 s 12 are 19 each reenacted and amended to read as follows:
- 20 (1) All earnings of investments of surplus balances in the state 21 treasury shall be deposited to the treasury income account, which 22 account is hereby established in the state treasury.
- 23 (2) The treasury income account shall be utilized to pay or receive 24 funds associated with federal programs as required by the federal cash 25 management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is 26 27 required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the 28 federal treasury required under the cash management improvement act 29 fall under RCW 43.88.180 and shall not require appropriation. 30 office of financial management shall determine the amounts due to or 31 32 from the federal government pursuant to the cash management improvement The office of financial management may direct transfers of funds 33 34 between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. 35

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1 allocations shall occur prior to the distributions of earnings set 2 forth in subsection (4) of this section.

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- (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
- 11 (4) Monthly, the state treasurer shall distribute the earnings 12 credited to the treasury income account. The state treasurer shall 13 credit the general fund with all the earnings credited to the treasury 14 income account except:
  - (a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the common school construction fund, the county criminal justice assistance account, the county sales and use tax equalization account, the data processing building construction account, the deferred compensation administrative account, the deferred compensation principal account, the department of retirement systems expense account, the Eastern Washington University capital projects account, the education construction fund, the emergency reserve fund, the federal forest revolving account, the health services account, the public health services account, the health system capacity account, the personal health services account, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the medical aid account, the mobile home park relocation fund, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the perpetual surveillance and maintenance account, the public employees' retirement system plan I account, the public employees' retirement system plan II

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the Puyallup tribal settlement account, the resource 1 2 management cost account, the site closure account, the special wildlife account, the state employees' insurance account, the state employees' 3 4 insurance reserve account, the state investment board expense account, 5 the state investment board commingled trust fund accounts, the supplemental pension account, the teachers' retirement system plan I 6 7 account, the teachers' retirement system plan II account, the tuition 8 recovery trust fund, the University of Washington bond retirement fund, 9 the University of Washington building account, the volunteer fire 10 fighters' relief and pension principal account, the volunteer fire fighters' relief and pension administrative account, the Washington 11 judicial retirement system account, the Washington law enforcement 12 13 officers' and fire fighters' system plan I retirement account, the Washington law enforcement officers' and fire fighters' system plan II 14 15 retirement account, the Washington state patrol retirement account, the 16 Washington State University building account, the Washington State 17 University bond retirement fund, the water escrow account, the water pollution control revolving fund, and the Western Washington University 18 19 capital projects account. Earnings derived from investing balances of 20 the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the 21 22 state university permanent fund shall be allocated to their respective 23 beneficiary accounts. All earnings to be distributed under this 24 subsection (4)(a) shall first be reduced by the allocation to the state 25 treasurer's service fund pursuant to RCW 43.08.190.

(b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the central Puget Sound public transportation account, the city hardship assistance account, the county arterial preservation account, the department of licensing services account, the economic development account, the essential rail assistance account, the essential rail banking account, the ferry bond retirement fund, the gasohol exemption holding account, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, the highway construction stabilization account, the highway safety account, the marine operating fund, the motor vehicle fund, the motorcycle safety education account, the Puget

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- Sound capital construction account, the Puget Sound ferry operations account, the recreational vehicle account, the rural arterial trust account, the safety and education account, the small city account, the special category C account, the state patrol highway account, the
- 5 transfer relief account, the transportation capital facilities account,
- 6 the transportation equipment fund, the transportation fund, the
- $7\,$  transportation improvement account, the transportation revolving loan
- 8 account, and the urban arterial trust account.
- 9 (5) In conformance with Article II, section 37 of the state 10 Constitution, no treasury accounts or funds shall be allocated earnings 11 without the specific affirmative directive of this section.
- 12 PART IV
- 13 INTERTIES
- 14 **Sec. 401.** RCW 90.03.383 and 1991 c 350 s 1 are each amended to 15 read as follows:
- 16 (1) The legislature recognizes the value of interties for improving
- 17 the reliability of public water systems, enhancing their management,
- 18 and more efficiently utilizing the increasingly limited resource.
- 19 Given the continued growth in the most populous areas of the state, the
- 20 increased complexity of public water supply management, and the trend
- 21 toward regional planning and regional solutions to resource issues,
- 22 interconnections of public water systems through interties provide a
- 23 valuable tool to ensure reliable public water supplies for the citizens
- 24 of the state. Public water systems have been encouraged in the past to
- 25 utilize interties to achieve public health and resource management
- 26 objectives. The legislature finds that it is in the public interest to
- 27 recognize interties existing and in use as of January 1, 1991, and to
- 28 have associated water rights modified by the department of ecology to
- 29 reflect current use of water through those interties, pursuant to
- 30 subsection (3) of this section. The legislature further finds it in
- 31 the public interest to develop a coordinated process to review
- 32 proposals for interties commencing use after January 1, 1991.
- 33 (2) For the purposes of this section, the following definitions 34 shall apply:
- 35 (a) "Interties" are interconnections between public water systems 36 permitting exchange, acquisition, or delivery of wholesale and/or
- 37 <u>retail</u> water between those systems for other than emergency supply

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- purposes, where such exchange, acquisition, or delivery is within 1 established instantaneous and annual withdrawal rates specified in the 2 systems' existing water right permits or certificates, or contained in 3 4 claims filed pursuant to chapter 90.14 RCW, and which results in better 5 management of public water supply consistent with existing rights and obligations. Interties include interconnections between public water 6 7 systems permitting exchange, acquisition, or delivery of water to serve 8 as primary or secondary sources of supply((, but do not include 9 development of new sources of supply to meet future demand)).
  - (b) "Service area" is the area designated <u>as the wholesale and/or retail area</u> in a water system plan or a coordinated water system plan pursuant to chapter 43.20 or 70.116 RCW respectively. When a public water system does not have a designated service area subject to the approval process of those chapters, the service area shall be the designated place of use contained in the water right permit or certificate, or contained in the claim filed pursuant to chapter 90.14 RCW.
  - (3) Public water systems with interties existing and in use as of January 1, 1991, or that have received written approval from the department of health prior to that date, shall file written notice of those interties with the department of health and the department of ecology. The notice may be incorporated into the public water system's five-year update of its water system plan, but shall be filed no later than June 30, 1996. The notice shall identify the location of the intertie; the dates of its first use; the purpose, capacity, and current use; the intertie agreement of the parties and the service areas assigned; and other information reasonably necessary to modify the <u>public water system's</u> water right ((<del>permit</del>)). Notwithstanding the provisions of RCW 90.03.380 and 90.44.100, for public water systems with interties existing and in use or with written approval as of January 1, 1991, the department of ecology, upon receipt of notice meeting the requirements of this subsection, shall, as soon as practicable, modify the place of use descriptions in the water right permits, certificates, or claims to reflect the actual use through such interties, provided that the place of use is within service area designations established in a water system plan approved pursuant to chapter 43.20 RCW, or a coordinated water system plan approved pursuant to chapter 70.116 RCW, and further provided that the water used is within the instantaneous and annual withdrawal rates specified in the

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- water rights ((permit)) and that no outstanding complaints of impairment to existing water rights have been filed with the department of ecology prior to September 1, 1991. Where such complaints of impairment have been received, the department of ecology shall make all reasonable efforts to resolve them in a timely manner through agreement of the parties or through available administrative remedies.
- (4) Notwithstanding the provisions of RCW 90.03.380 and 90.44.100, exchange, acquisition, or delivery of water through interties approved by the department of health commencing use after January 1, 1991, shall be permitted when the intertie improves overall system reliability, enhances the manageability of the systems, provides opportunities for conjunctive use, or delays or avoids the need to develop new water sources, and otherwise meets the requirements of this section, provided that each public water system's water use shall not exceed the instantaneous or annual withdrawal rate specified in its water right authorization, shall not adversely affect existing water rights, and shall not be inconsistent with state-approved plans such as water system plans or other plans which include specific proposals for construction of interties. Interties approved and commencing use after January 1, 1991, shall not be inconsistent with regional water resource plans developed pursuant to chapter 90.54 RCW.
  - (5) For public water systems subject to the approval process of chapter 43.20 RCW or chapter 70.116 RCW, proposals for interties commencing use after January 1, 1991, shall be incorporated into water system plans pursuant to chapter 43.20 RCW or coordinated water system plans pursuant to chapter 70.116 RCW and submitted to the department of health and the department of ecology for review and approval as provided for in subsections (5) through (9) of this section. The plan shall state how the proposed intertie will improve overall system reliability, enhance the manageability of the systems, provide opportunities for conjunctive use, or delay or avoid the need to develop new water sources.

(6) The department of health shall be responsible for review and approval of proposals for new interties. In its review the department of health shall determine whether the intertie satisfies the criteria of subsection (4) of this section, with the exception of water rights considerations, which are the responsibility of the department of ecology, and shall determine whether the intertie is necessary to

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address emergent public health or safety concerns associated with public water supply.

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(7) If the intertie is determined by the department of health to be necessary to address emergent public health or safety concerns associated with public water supply, the public water system shall amend its water system plan as required and shall file an application with the department of ecology to change its existing water right to reflect the proposed use of the water as described in the approved water system plan. The department of ecology shall process the application for change pursuant to RCW 90.03.380 or 90.44.100 as appropriate, except that, notwithstanding the requirements of those sections regarding notice and protest periods, applicants shall be required to publish notice one time, and the comment period shall be fifteen days from the date of publication of the notice. Within sixty days of receiving the application, the department of ecology shall issue findings and advise the department of health if existing water rights are determined to be adversely affected. If no determination is provided by the department of ecology within the sixty-day period, the department of health shall proceed as if existing rights are not adversely affected by the proposed intertie. The department of ecology may obtain an extension of the sixty-day period by submitting written notice to the department of health and to the applicant indicating a definite date by which its determination will be made. No additional extensions shall be granted, and in no event shall the total review period for the department of ecology exceed one hundred eighty days.

(8) If the department of health determines the proposed intertie appears to meet the requirements of subsection (4) of this section but is not necessary to address emergent public health or safety concerns associated with public water supply, the department of health shall instruct the applicant to submit to the department of ecology an application for change to the underlying water right or claim as necessary to reflect the new place of use. The department of ecology shall consider the applications pursuant to the provisions of RCW 90.03.380 and 90.44.100 as appropriate. The department of ecology shall not deny or limit a change of place of use for an intertie on the grounds that the holder of a permit has not yet put all of the water authorized in the permit to beneficial use. If in its review of proposed interties and associated water rights the department of ecology determines that additional information is required to act on

- the application, the department may request applicants to provide information necessary for its decision, consistent with agency rules and written guidelines. Parties disagreeing with the decision of the department of ecology ((en)) to approve or deny the application for change in place of use may appeal the decision to the pollution control
- 7 (9) The department of health may approve plans containing intertie 8 proposals prior to the department of ecology's decision on the water 9 right application for change in place of use. However, notwithstanding 10 such approval, construction work on the intertie shall not begin until 11 the department of ecology issues the appropriate water right document 12 to the applicant consistent with the approved plan.

# 13 PART V

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hearings board.

## 14 RELINQUISHMENT

- 15 **Sec. 501.** RCW 90.14.140 and 1987 c 125 s 1 are each amended to 16 read as follows:
- 17 (1) For the purposes of RCW 90.14.130 through 90.14.180, 18 "sufficient cause" shall be defined as the nonuse of all or a portion 19 of the water by the owner of a water right for a period of five or more 20 consecutive years where such nonuse occurs as a result of:
  - (a) Drought, or other unavailability of water;
- (b) Active service in the armed forces of the United States during military crisis;
- 24 (c) Nonvoluntary service in the armed forces of the United States;
- 25 (d) The operation of legal proceedings;
- (e) Federal laws imposing land or water use restrictions either directly or through the voluntary enrollment of a landowner in a federal program implementing those laws, or acreage limitations, or production guotas.
- 30 (2) Notwithstanding any other provisions of RCW 90.14.130 through 31 90.14.180, there shall be no relinquishment of any water right:
- 32 (a) If such right is claimed for power development purposes under 33 chapter 90.16 RCW and annual license fees are paid in accordance with
- 34 chapter 90.16 RCW, or
- 35 (b) If such right is used for a standby or reserve water supply to 36 be used in time of drought or other low flow period so long as

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- 1 withdrawal or diversion facilities are maintained in good operating 2 condition for the use of such reserve or standby water supply, or
- 3 (c) If such right is claimed for a determined future development to 4 take place ((either)) at any time within fifteen years of either July 5 1, 1967, or the most recent beneficial use of the water right, 6 whichever date is later, or
- 7 (d) If such right is claimed for municipal water supply purposes 8 under chapter 90.03 RCW, or
- 9 (e) If such waters are not subject to appropriation under the 10 applicable provisions of RCW 90.40.030 as now or hereafter amended.

11 PART VI

### 12 GENERAL PERMITS

- NEW SECTION. Sec. 601. The legislature finds that the present delay in the processing of water right applications is not beneficial to the citizens of the state nor is it in keeping with the goal of managing the resource to the highest possible standard and maximum net benefit.
- The legislature further finds that water conservation efforts would be greatly enhanced by a permit system that encourages water right applicants to use only the amount of water actually necessary to meet their needs.
- NEW SECTION. **Sec. 602.** A new section is added to chapter 90.03 RCW to read as follows:
- (1) The department shall develop a general permit system for 24 25 appropriating water for nonconsumptive, nonbypass uses. This system must be designed and used to accurately identify and register any water 26 27 right application that qualifies for the streamlined process of appropriation of water by meeting the requirements in this section and 28 The general permit system must be applicable 29 registering the use. 30 state-wide, and all waters of the state shall be eligible for coverage under the system. The evaluation and report required for an 31 32 application under RCW 90.03.290 are not required for applications processed under the general permit system. For the purposes of this 33 34 section:
- 35 (a) "Nonconsumptive, nonbypass use" means a use of water in which 36 water is diverted from a stream or drawn from an aquifer and following

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its use is discharged back into or near the point of diversion or 1 withdrawal without diminishment in quality and less than five thousand 2 gallons of net consumption per day; and

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- (b) "Without diminishment of quality" means that, before being discharged back to its source, the water being discharged meets state water quality standards adopted under chapter 90.48 RCW.
- 7 (2) The department shall, by January 1, 1997, establish the general 8 permit system by adopting rules in accordance with chapter 34.05 RCW. 9 Before the adoption of rules for a system, the department shall consult 10 with representatives of the following interest groups: aquaculture; home construction and development; county government; city 11 government; surface mining; and the environmental community. At least 12 four public hearings must be held at various locations around the 13 state, not less than two of which shall be east of the crest of the 14 15 Cascade mountains. The rules must identify criteria for proposed uses 16 of water for which applications might be processed under the system and 17 must establish procedures for filing and processing applications and issuing water rights certificates under the general permit system. 18

19 NEW SECTION. Sec. 603. A new section is added to chapter 90.03 RCW to read as follows: 20

An application for registration as a nonconsumptive, nonbypass water user under the general permit system established under section 602 of this act must be made on a form adopted and provided by the department. Within sixty days of receipt of a properly completed application, the department shall determine whether the proposed use is eligible to be processed under the general permit system. department determines that the proposed use is eligible to be processed under the system, the application must be processed under the system within the next sixty days. The priority date of the water right established pursuant to this section shall be the date that the properly completed application is submitted. If the department determines that the proposed use is not eligible for the processing, the department shall explain to the applicant in writing the reasons for its determination. For a proposed use determined ineligible for the processing, if the department finds that the information contained on the application form substantially satisfies the information requirements for an application for a use that would normally be filed for processing the application outside of the general permit system,

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- 1 the department shall notify the applicant of its finding and shall
- 2 process the application as if it were filed for processing outside of
- 3 the system. If the department finds that the information does not
- 4 substantially satisfy the requirements, the application must be
- 5 considered to be incomplete for the processing and the applicant must
- 6 be notified of this consideration.
- 7 NEW SECTION. Sec. 604. A new section is added to chapter 90.03
- 8 RCW to read as follows:
- 9 Nothing in sections 602 and 603 of this act authorizes the
- 10 impairment or operates to impair any existing water rights. A water
- 11 right holder under sections 602 and 603 of this act shall not make
- 12 withdrawals that impair a senior water right. A holder of a senior
- 13 water right who believes his or her water right is impaired may file a
- 14 complaint with the department of ecology. Where such complaints of
- 15 impairment have been received, the department of ecology shall make all
- 16 reasonable efforts to resolve them in a timely manner through agreement
- 17 of the parties. Nothing in section 602 or 603 of this act may be
- 18 construed as waiving any requirement established under chapter 90.48
- 19 RCW or federal law that a permittee secure a discharge permit regarding
- 20 water quality.
- 21 PART VII
- 22 MISCELLANEOUS
- NEW SECTION. Sec. 701. As used in this act, part headings
- 24 constitute no part of the law.
- NEW SECTION. Sec. 702. Sections 101 through 111 of this act shall
- 26 constitute a new chapter in Title 90 RCW.

--- END ---